

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is entered into effective as of the date the agreement has been executed by all the parties hereto (the "Effective Date"), by and between Port of Morrow, a municipal corporation of the State of Oregon ("Port"), and Columbia River Processing, Inc., an Oregon corporation, ("Columbia River").

RECITALS

A. Port owns certain real property located at Port of Morrow, Morrow County, Oregon and more particularly described in Section 1 below.

B. Columbia River desires to acquire all the property described herein from Port, and Port is willing to sell and convey all the property described herein to Columbia River, on and subject to the terms of this agreement (the "Agreement").

AGREEMENT

1. Purchase and Sale of the Property.

1.1 **Identification of Property.** Port owns fee simple title to the real property identified as 4N 25 11 tax lots 300, 302 and 303 more specifically described in the preliminary title report attached hereto as Exhibit A, together with all improvements situated on it and owned by Port. The real property and improvements, together with all other rights, hereditaments, and tenements appurtenant to the real property and improvements, less the Excluded Property described below, are collectively referred to herein as the "Property." Port agrees to sell the Property to Columbia River, and Columbia River agrees to purchase the Property from Port, on the terms and conditions set forth in this Agreement.

1.2 **Excluded Property.** The Property does not include approximately one acre in the southwest corner of the Property that Port will retain for a road and utility improvements ("Excluded Property"). The Excluded Property is identified on Exhibit B, attached hereto. Port will, on or before the Closing Date, as defined below, complete a lot line adjustment or other Morrow County approved procedure that will separate the Excluded Property from the Property at Port's sole cost.

2. **Purchase Price.** The total purchase price for the Property is eight hundred thousand dollars (\$800,000.00).

3. **Earnest Money Deposit.** On or before the Effective Date, Columbia River will deliver to Mid-Columbia Title Company (the "Escrow Agent") in Morrow County, Oregon, the sum of \$10,000.00, which sum will constitute Columbia River's earnest money deposit under this Agreement (the "Deposit"). The Deposit will be applied to Columbia River's obligations in accordance with the terms of this Agreement.

4. **Payment of Purchase Price.** The purchase price must be paid by Columbia River in cash on the Closing Date (as defined in Section 12.1), subject to application of the Deposit and the adjustments and credits as provided in this Agreement.

5. Inspection Contingency

5.1 Inspection Rights. Columbia River will have until midnight at the end of the ninetieth (90th) day after the Effective Date (the "Review Period") to satisfy itself concerning all aspects of the Property, including, without limitation, the physical condition thereof; the insurance policies, contracts, leases, and all other financial aspects of the Property; the availability of any governmental permits and approvals; and the feasibility of using the Property for Columbia River's intended use. Columbia River will have the right to perform such tests, inspections, and feasibility studies on the Property as Columbia River may deem necessary. Port will permit and, to the extent reasonably required by Columbia River, will assist Columbia River in providing access to Port's architects, engineers, contractors, subcontractors, managers, analysts, and appraisers in connection with Columbia River's review of the Property. For any portion of the Improvements that is occupied by a tenant, Columbia River will make appropriate arrangements with Port regarding the time and duration of Columbia River's inspections, and Columbia River will take all reasonable steps to protect the tenant's property and to avoid disturbing the tenant. Columbia River will schedule and coordinate all inspections, including, without limitation, any environmental tests, with Port and will give Port at least two (2) business days' prior written notice thereof. Port will be entitled to have a representative present at all times during each such inspection and communication with tenant.

5.2 Inspection Expenses. All costs and expenses of all Columbia River's tests, inspections, and studies must be paid by Columbia River when due, regardless of whether this transaction closes.

5.3 Inspection Indemnity; Evidence of Insurance. Columbia River will indemnify, defend, and hold harmless Port from and against any and all costs, losses, damages, expenses, liabilities, actions, liens, or claims arising from or related to any activities on or about the Property by Columbia River or any agent, employee, contractor, or invitee of Columbia River.

5.4 Removal of Inspection Contingencies. If, by the end of the Review Period, Columbia River has not notified Port in writing that Columbia River accepts the Property in its then-current condition, this Agreement will terminate, whereupon the Deposit will be refunded to Columbia River within five (5) days. This Agreement thereafter will be null and void, and neither party will have any obligation to the other, except as otherwise provided herein.

5.5 Tenant Estoppels. Port agrees to obtain from LTI, Inc. an estoppel certificate confirming the status of the LTI Lease (as defined below), together with any additional tenant estoppel form as may be required by Columbia River's lender. This obligation, however, will not require Seller to make any payment or concessions to or waive any claims or rights against any tenant. The certificates will be delivered to Purchaser within the Review Period.

5.6 Environmental Assessments. Columbia River is responsible for obtaining its own environmental inspections of the Land and Improvements. Columbia River agrees to provide Port with a true and complete copy of all environmental studies, tests, and reports that Columbia River obtains in connection with its inspection of the Land or Improvements and, if authorized by Port as provided in Section 5.1, with independent splits of each soil or groundwater sample or other substance or material that may be obtained by Columbia River or its consultant in form and quantity sufficient for independent analysis. Columbia River will pay for all costs of its environmental inspections regardless of whether this sale closes. If any person is required to make any report to any governmental agency as the result of any environmental inspection, the report will be submitted solely by Port.

5.7 *Confidentiality Requirements.* Columbia River will use and disclose information it obtains about the Property solely in connection with its purchase evaluation. Unless and until it acquires the Property, Columbia River will not disclose any such information to any third party except (a) as and to the extent required by its purchase-money lender; (b) to its members, shareholders, partners, permitted assignees, successors, property consultants, and lawyers; (c) to any court of competent jurisdiction in connection with any mediation, arbitration, or litigation in connection with this Agreement; and (d) as to any information that is otherwise a matter of public record.

6. [Intentionally omitted]

7. **Title to the Property**

7.1 *Title Report.* A title report is attached hereto as Exhibit A (the "Title Report"). Columbia River will have until fifteen (15) days after the Effective Date in which to notify Port in writing of Columbia River's disapproval of any exceptions shown in the Title Report; PROVIDED, HOWEVER, that monetary encumbrances including, liens, mortgages and trust deed obligations shall be deemed to be disapproved exceptions. Any special assessments shown on the Title Report that are objected to by Columbia River will be included in Columbia River's notice. In the event of any disapproval, Port will notify Columbia River in writing within fifteen (15) days after Columbia River's notification as to whether Port agrees to remove any of the exceptions so disapproved, and upon delivering the notice, Port will have until the Closing Date described in Section 12.1 to cause the exceptions that Port has agreed to remove to be removed of record and from the Title Report. Columbia River will be deemed to have accepted all title exceptions to which it has not timely objected. Columbia River will take the property subject to the LTI, INC lease as described below.

7.2 *Rescission of Agreement—Title Defects.* If Port elects not to eliminate any title exception disapproved by Columbia River, Columbia River may elect to cancel this Agreement by written notice to Port given on or before ten (10) days after Port's notification of the election. In this event, the Deposit will be refunded to Columbia River and this Agreement will terminate. If Columbia River does not elect to cancel this Agreement, Columbia River's objections to the disapproved exceptions that Port elected not to eliminate are deemed waived and the Property will be conveyed to the Columbia River with such defects without credit against the purchase price. The foregoing notwithstanding, Port agrees that it will cause all trust deed liens against the Property that are not accepted by Columbia River to be released of record by the Closing Date.

7.3 *LTI Lease.* Columbia River will take the Property subject to the existing Port lease with LTI, Inc., a trucking company providing services to Columbia River ("LTI Lease"). A copy of the LTI Lease is attached hereto as Exhibit C. If the LTI Lease exists at the time of Closing, Port will assign to Columbia River all its future rights and Columbia River will assume all Port's future obligations under the LTI Lease. Port will defend, indemnify and hold Columbia River harmless on any Port LTI Lease obligation as landlord arising before the date of Closing and Columbia River will defend, indemnify and hold Port harmless from any obligation as landlord under the LTI Lease after the Closing Date.

8. **Property Documentation:**

8.1 *Leases, Contracts.* Port represents that, except for the LTI Lease, the Property is not subject to any leases or contracts.

8.2 *Rent.* The LTI Lease rent will not be prorated. Any LTI Lease rent due before the Closing Date will be paid to Port. Any LTI Lease rent after the Closing Date will be paid to Columbia River.

8.3 *Information Provided by Third Parties.* Columbia River acknowledges that Port is not making any representation, warranty, or guaranty with respect to the completeness, accuracy, or reliability of any report, document, or record prepared by any third party regarding the Property

9. Port's Representations

9.1 *Content of Representations.* Port represents, warrants, and covenants to Columbia River as follows:

(a) *No Notice of Violation of Zoning and Other Laws.* Port has not received any written notice from any governmental authority alleging that the Improvements violate any building codes, building or use restrictions, or zoning ordinances, rules, or regulations.

(b) *No Litigation.* To Port's knowledge, there is no pending or threatened litigation or administrative action with respect to the Property.

(c) *No Condemnation.* To Port's knowledge, there is no pending or contemplated eminent domain, condemnation, or other governmental taking of the Property or any portion thereof.

(e) *No Additional Assessments.* To Port's knowledge, there are no extraordinary governmental assessments or impositions levied against, applicable to, or proposed for the Property as distinct from ordinary ad valorem property taxes, which will be disclosed in the Title Report.

(f) *No Government Obligations.* To Port's knowledge, there are no unperformed obligations that are currently due relative to the Property to any governmental or quasi-governmental body or authority.

(g) *Hazardous Waste.* To Port's knowledge, there is no hazardous substance, waste or material on the Property. There are no underground storage tanks on the Property. For the purposes of this section, "hazardous substance, waste, or material" means all petroleum-based products, radon, asbestos, PCBs, and all substances, wastes, and materials that are so defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, and the Hazardous Materials Transportation Act.

(h) *Authority of Port.* Port's execution of, delivery of, and performance under this Agreement are undertaken according to authority validly and duly conferred on Port and the signatories hereto.

(i) *No Breach of Agreements.* This Agreement and the consummation of the transaction evidenced by this Agreement do not violate any other agreement to which Port is a party.

(j) *Nonforeign Status.* Port is not a "foreign person" as defined in IRC §1445(f)(3), and Port is not a "transferor" as defined in ORS 314.258(2)(b).

9.2 *Port's Knowledge.* In each event in which any representation of Port is limited "to Port's knowledge" or similar phrase, that knowledge must include only the actual, personal knowledge (and not the implied, imputed, or constructive knowledge) of Port, without any investigation or inquiry whatsoever.

9.3 Effect of Columbia River's Knowledge. Columbia River agrees that in the absence of an intent on the part of Port to fraudulently conceal information about the Property or fraudulently mislead Columbia River, Columbia River will not have the right to rely on any warranty or representation of Port, and Port will not be liable for any breach of any such warranty or misrepresentation, if and to the extent Columbia River is given access to data or information relating to the Property before the Closing Date that reveals, or Columbia River's tests or inspections before the Closing Date reveal, or Columbia River otherwise knows or has reason to know before the Closing Date of any information that reveals the warranty or representation to be incorrect, and in any of such events Columbia River nevertheless elects to close this purchase.

9.4 As Is. Except as specifically provided herein, Port makes no warranties of any kind in connection with the Property, including all improvements thereon, and this sale, including any warranty of merchantability and fitness for a particular purpose and Columbia River is accepting the Property and improvements thereon "AS IS" and "WHERE IS" and without additional warranties of any kind whatsoever.

9.5 Survival of Warranties. All Port's warranties in this Agreement are deemed given as of the date of this Agreement and as of the Closing Date. Port's liability for any misrepresentation or the breach of any warranty under this Agreement will survive the closing of this transaction, but any claim for any misrepresentation or breach of any covenant, other than any claim arising under Section 9.1(g) (which shall survive for the applicable statute of limitations), will be deemed to have been waived unless Columbia River files and serves a complaint for damages or other remedies based on the alleged misrepresentation or breach within twenty-four (24) months after the Closing Date or, if this transaction fails to close, within twenty-four (24) months after the date this Agreement is canceled or terminates.

10. Columbia River's Representations

Columbia River represents, warrants, and covenants to Port as follows:

10.1 Columbia River's Existence and Authority. Columbia River is a validly existing and duly organized domestic corporation under the laws of the State of Oregon and has the full right and authority to conduct its business under the laws of the state of Oregon.

10.2 No Third-Party Consents. The execution of this Agreement by Columbia River and Columbia River's performance of all its obligations hereunder are not subject to any approval or consent of any person, board, committee, or third party.

10.3 No Litigation. Columbia River is not a party to any litigation or civil or criminal proceedings; no petitions in bankruptcy have been filed by or against Columbia River that would impact this sale; and none of Columbia River's assets are currently subject to any insolvency, receivership, or foreclosure proceedings.

11. Conditions to Closing

11.1 Columbia River's Conditions. Except for the conditions in Section 11.1(a) and (b), Columbia River acknowledges that Port does not guarantee the satisfaction of the conditions precedent listed in this Section 11.1 and that Port's failure to satisfy the conditions (other than 11.1(a) and (b)) for any reason other than Port's bad faith will not be deemed to be a default hereunder but will merely be a failure of a condition to closing, in which event Columbia River's sole remedy will be to (1) waive the condition(s) and any claim against Port with respect thereto, including, without limitation, as provided in Section 9.3, or (2) terminate this Agreement and

receive a refund of the earnest money deposit. Furthermore, at Port's election, Port will be permitted to extend the Closing Date for any period of time up to thirty (30) days to satisfy any of the conditions set forth in this Section 11.1. Columbia River's obligation to close this transaction is subject to the satisfaction of each of the following conditions:

(a) Port's Compliance. Port's fulfillment of each of its obligations under this Agreement in all material respects.

(b) Port's Representations. The continuing accuracy of all Port's warranties and representations in this Agreement in all material respects.

(c) Material Casualty. The absence of any material damage by casualty to the Improvements that has not been repaired by the Closing Date. For the purposes of this paragraph, a "material damage by casualty" means any damage by fire or other casualty that has not been repaired and paid for by the Closing Date and for which the estimated cost of the remaining repairs exceeds ten thousand dollars (\$10,000.00). If the Improvements suffer any material damage by casualty, then Columbia River has the right and option to terminate this Agreement within thirty (30) days after the date of the casualty or by the Closing Date, whichever occurs first. Port will also have the right to cancel this Agreement if the material damage by casualty is not fully covered by Port's or Tenants insurance policy. If Port and Columbia River do not elect to terminate this Agreement, (i) this transaction will close without increase or decrease in the purchase price, (ii) Port will proceed to effect the repairs that are reasonably possible before closing unless otherwise agreed to in writing by Columbia River, and (iii) Columbia River will be entitled to all insurance proceeds that are not used to pay the costs of the repairs. Port also will credit against the purchase price the amount of any deductible or self-insurance applicable to the casualty. If the estimated cost to repair any damage by casualty as of the Closing Date is less than ten thousand dollars (\$10,000.00), Columbia River will not have the right to terminate this Agreement because of the casualty and Columbia River will be given a credit against the purchase price in the amount of the estimate, whereupon Port will be entitled to retain the right to all insurance proceeds that would otherwise be paid to Columbia River on the Closing Date. All repair cost estimates referred to in this section will be made by reference to a fixed-price construction contract, which Port will obtain as promptly as is reasonably possible after the date of the casualty. If the contract price cannot be ascertained as of the Closing Date, Columbia River may waive its election to take a purchase price credit or will deposit with the Escrow Agent on the Closing Date an amount of the purchase price reasonably agreed to by the parties as a reasonable estimate of the credit, whereupon the actual estimate of the repairs must be ascertained by the means above described as soon as practicable. When the actual estimate is determined, Columbia River will be given a credit against the purchase price in the amount thereof, and the estimated amount deposited with the Escrow Agent will be paid to Columbia River to the extent of the actual estimate and any remainder paid to Port. If the actual estimated repair costs exceed the amount escrowed, Port must pay the difference to Columbia River.

(e) Title Insurance. The Title Company must be ready, willing, and able to issue an extended coverage American Land Title Association owner's policy of title insurance in the amount of the Purchase Price, insuring title in Columbia River to the Premises consistent with the terms of this Agreement and subject only to the title exceptions approved or deemed approved by Columbia River.

11.2 Port's Conditions. Port's obligation to close this transaction is subject to the satisfaction of each of the following conditions:

(a) Columbia River's Compliance. Columbia River's fulfillment of each of its obligations under this Agreement.

(b) Columbia River's Representations. The continuing accuracy of all Columbia River's warranties and representations in this Agreement.

12. Closing

12.1 Closing Date. This transaction will be closed within ninety (90) days after the Effective Date (the date that this transaction closes, as evidenced by the recordation of Port's deed to Columbia River, being herein referred to as the "Closing Date"). Each party may extend the Closing Date one (1) time by up to fifteen (15) days if the extension is required by illness, transportation delays, the unavailability of the Escrow Agent, or other causes beyond the party's reasonable control.

12.2 Manner and Place of Closing. This transaction will be closed by the Escrow Agent in Boardman, Oregon, or at such other place as the parties may mutually agree to in writing. Closing will take place in the manner and in accordance with the provisions set forth in this Agreement.

12.3 Prorations, Adjustments.

(a) The Property is not subject to ad valorem taxes at this time. All ad valorem real property taxes and assessments, if any, imposed as a result of this sale will be paid by Columbia River. Any payment relating to the LTI Lease for the Property that is due prior to the Closing Date will be payable to Port, and any such payment that is due after the Closing Date will be payable to Columbia River.

(b) Port and Columbia River will each pay one-half of all conveyance, excise, or transfer taxes and fees in connection with this sale, and Columbia River will pay the recording fees for Port's deed.

(c) Port will pay the premium for a standard owner's title insurance policy in favor of Columbia River in the amount of the purchase price. Any additional title insurance coverage or endorsements requested by Columbia River or its lender will be paid by Columbia River.

(d) Port and Columbia River will each pay one-half of the escrow and closing fees charged by the Escrow Agent.

(e) Columbia River will pay all costs and expenses related to Columbia River's financing, if any.

(f) Each party will pay its own attorney fees.

12.4 Events of Closing. If the Escrow Agent has received the sums and is in a position to cause the title insurance policy to be issued as described below, this transaction will be closed on the Closing Date as follows:

(a) Port will convey the real property to Columbia River by statutory warranty deed, subject to the matters accepted or deemed accepted by Columbia River under this Agreement.

(b) Port will assign to Columbia River, and Columbia River will assume, the Leases by assignment and assumption agreement as provided in paragraph 7.3.

(c) The parties will sign and the Closing Agent will record the Memorandum of Right to Repurchase attached hereto as Exhibit D.

(d) Port will provide Columbia River with (i) the Certificate of Nonforeign Status as provided in IRC §1445(b)(2) and (ii) a certificate or other documentary evidence complying with ORS 314.258 that is reasonably acceptable to Columbia River and the Escrow Agent and

sufficient to assure Columbia River and the Escrow Agent that no withholding is required under ORS 314.258.

(e) Immediately upon closing, Columbia River will prepare in a form reasonably acceptable to Port and Port will execute and deliver a notice to LTI, INC. advising it of the sale of the Property and advising the tenant to pay all future rent to Columbia River.

(f) The Escrow Agent will calculate the prorations agreed to herein, if any, and the parties will be charged and credited accordingly.

(g) Any liens to be paid by Port at closing will be paid and satisfied of record at Port's expense.

(h) Columbia River will pay the entire purchase price to Port in cash, minus the Deposit and the principal amount of the Assumed Loan assumed by Columbia River, as adjusted for the charges and credits set forth in this Agreement.

(i) The Escrow Agent will be committed to issuing the policy described in Section 12.5 upon recordation of the closing documents.

(j) Upon compliance with the parties' closing instructions, the Escrow Agent will record the deed to Columbia River at Columbia River's expense.

12.5 Title Insurance. As soon as possible after the Closing Date, the Escrow Agent will furnish Columbia River a standard American Land Title Association form of owner's policy of title insurance in the amount of the purchase price for the Property, subject only to the Escrow Agent's standard preprinted exceptions and exclusions for the form and except for the matters accepted or deemed accepted by Columbia River under this Agreement. The costs of additional or extended title insurance beyond standard coverage will be paid by Columbia River, and the availability of any such coverage will not be a condition of closing.

12.6 Possession. Subject to the rights of LTI, INC, Port will deliver possession of the Property to Columbia River on the Closing Date. Columbia River will be entitled to receive directly from the tenants all rents coming due after the Closing Date.

12.7 Acceptance of Property. Columbia River acknowledges that Columbia River has assessed, or has had the opportunity to assess, the size, configuration, utility service, environmentally sensitive areas, means of access, permitted uses, status of title, value, condition, and all other material aspects of the Property, and, except as specifically stated herein, Columbia River is not relying on, nor has Columbia River been influenced by, any statement or representation of Port or any agent or representative of Port regarding any of such items. Except for any actionable breaches of Port's representations and warranties contained herein, Columbia River's acceptance of the Property and the satisfaction or waiver of all Columbia River's conditions to closing will be evidenced solely by the closing of this transaction and without any other act or confirmation by Columbia River. Columbia River does not have the option to close this transaction without accepting the Property in its then current condition, and Columbia River acknowledges that except for any Port's breach of an express warranty stated in this Agreement, Columbia River is acquiring the Property "AS IS, WHERE IS" in its current condition existing as of the Closing Date, without any representation or warranty of any kind or nature by Port.

12.8 Indemnification. Columbia River will defend, indemnify, and hold harmless Port from and against all actions, claims, losses, liabilities, damages, costs, and expenses (including without limitation reasonable attorney fees) that are caused by Columbia River's failure to perform any landlord's or owner's obligation under any lease of, or contract relating to, the Property on and after the Closing Date or for which Columbia River is responsible in accordance with the terms of this Agreement. Port will defend, indemnify, and hold harmless Columbia

River from and against all third-party claims for premises liability regarding any injury or damage to the third party or its property that occurred on or about the Property before the Closing Date.

13. Defaults and Failure to Close

13.1 Port's Remedies. In the event that this transaction fails to close on account of a default by Columbia River under this Agreement, the Deposit will be forfeited by Purchaser and retained by Seller as liquidated damages as Seller's sole remedy for the default. This amount has been agreed by the parties to be reasonable compensation and the exclusive remedy for Purchaser's default, since the precise amount of damages would be difficult to determine.

13.2 Columbia River's Remedies. In the event that this transaction fails to close on account of a default by Port under this Agreement, Columbia River will be entitled to any remedy that may be available at law or in equity including, without limitation, the remedy of specific performance and the right to recover its actual damages.

13.3 Costs and Attorney Fees. If suit, action, arbitration, or mediation is instituted to interpret or enforce the terms of this Agreement or with respect to any dispute under this Agreement, the prevailing party is entitled to recover from the other party the sum that the court, arbitrator, or mediator may adjudge reasonable as costs and expert witness and attorney fees in any such proceeding, at trial, on any appeal or petition for review, and in any bankruptcy proceeding (including the adjudication of any issues peculiar to bankruptcy law), in addition to all other sums provided by law.

13.4 Waiver of Jury Trial. AS PART OF THE CONSIDERATION FOR THIS AGREEMENT, EACH OF THE PARTIES HERETO WAIVES THE RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY DISPUTE OR ACTION UNDER THIS AGREEMENT.

14. [Intentionally omitted]

15. Legal Relationships

15.1 Relationship of Parties. This Agreement creates only the relationship of seller and buyer, and no joint venture, partnership, or other joint undertaking is intended hereby. Neither party hereto will have any rights to make any representations or incur any obligations on behalf of the other. Neither party has authorized any agent to make any representations, admit any liability, or undertake any obligation on its behalf. Neither party is executing this Agreement on behalf of an undisclosed principal.

15.2 No Third-Party Beneficiaries. No third party is intended to be benefited or afforded any legal rights under or by virtue of this Agreement.

15.3 Joint and Several Liability. If either party comprises more than one person or entity, the obligations of each person or entity comprising such party under this Agreement will be joint and several.

15.4 Real Estate Brokers. Each party warrants to the other party that no broker or agent was consulted or engaged in connection with this transaction, and each party will indemnify, defend, and hold harmless the other from and against all claims, losses, and liabilities made or imposed for any commission or finder's fee to any broker or agent and arising out of actions of such party.

15.5 Indemnified Parties. Any indemnification contained in this Agreement for the benefit of a party will extend to the party's members, directors, shareholders, officers, employees, and agents.

15.6 Assignments and Successors. Columbia River may not assign or otherwise transfer this Agreement or any interest herein, voluntarily, involuntarily, or by operation of law, without the prior written consent of Port in each instance, which consent will not be unreasonably withheld. Columbia River will not be released from its obligations under this Agreement in the event of any assignment or transfer by Columbia River. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties hereto and their respective successors and assigns.

16. General Provisions

16.1 Notices. All notices required or permitted to be given will be in writing and will be deemed given and received on personal service or two business days after deposit in the United States Mail, certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

To Port: Port of Morrow
P.O. Box 200
Boardman, OR 97818

To Columbia River: Columbia River Processing, Inc.
4185 Highway 101 N.
Tillamook, OR 97141

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manner set forth above will be effective when received by the party for whom it is intended.

16.2 Time of Essence. Except as otherwise specifically provided in this Agreement, time is of the essence for each and every provision of this Agreement.

16.3 Invalidity of Provisions. If any provision of this Agreement, or any instrument to be delivered by Columbia River at closing under this Agreement, is declared invalid or is unenforceable for any reason, the provision will be deleted from the document and will not invalidate any other provision contained in the document.

16.4 Neutral Construction. This Agreement has been negotiated with each party having the opportunity to consult with legal counsel and will be construed without regard to which party drafted all or part of this Agreement.

16.5 Captions. The captions of the sections and paragraphs in this Agreement are used solely for convenience and are not intended to limit or otherwise modify the provisions of this Agreement.

16.6 Waiver. The failure of either party at any time to require performance of any provision of this Agreement will not limit the party's right to enforce the provision. Waiver of any breach of any provision will not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

16.7 *Subsequent Modifications.* This Agreement and any of its terms may be changed, waived, discharged, or terminated only by a written instrument signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

16.8 *Saturdays, Sundays, and Legal Holidays.* If the time for performance of any of the terms, conditions, and provisions hereof falls on a Saturday, Sunday, or legal holiday, then the time of the performance will be extended to the next business day thereafter.

16.9 *Venue.* In any action brought to interpret or enforce any of the provisions of this Agreement, the venue will be in Morrow County, Oregon.

16.10 *Applicable Law.* This Agreement will be construed, applied, and enforced in accordance with the laws of the state of Oregon. All sums referred to in this Agreement will be calculated by and payable in the lawful currency of the United States.

16.11 *Entire Agreement.* This Agreement constitutes the entire agreement of the parties with respect to the Property and supersedes and replaces all written and oral agreements previously made or existing between the parties.

16.12 *No Offer.* By providing an unexecuted copy of this Agreement to any person, neither party is deemed to have made an offer to sell or purchase or otherwise indicated its willingness to enter into any transaction with respect to the Property, and this Agreement will not be binding on any party unless and until it has been fully executed and delivered by Port and Columbia River.

16.13 *Counterparts.* This Agreement may be executed simultaneously or in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same contract.

16.15 *Facsimile/email Copies.* Either party may rely on facsimile or email copies of this Agreement to the same extent as the originals.

16.16 *Statutory Warning (ORS 93.040(2)).* "THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010."

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

Dated: March 20, 2018.

Port of Morrow:

Gary Neal

By: Gary Neal

Name: Gary Neal

Title: General Manager

Dated: March 14, 2018

Columbia River Processing, Inc.

By: Linda Pearce

Name: LINDA PEARCE

Title: CEO

Exhibit A
Title Report
Legal Description

Exhibit A



Mid-Columbia Title Company

205 E. BOARDMAN AVE. / P.O. BOX 280 • BOARDMAN, OR 97818
(541) 481-2280 • FAX (541) 481-3280

PRELIMINARY TITLE REPORT

Monahan, Grove and Tucker
Sam Tucker
sam@mgtlegal.com

1. DATE: July 14, 2017 FILE NUMBER: 10132
2. POLICY OR POLICIES TO BE ISSUED:
 - (a) Owner's Policy (ALTA Owner's Policy (2006)) Policy Amount \$800,000.00
Proposed Insured: Premium \$1,800.00
TILLAMOOK COUNTY CREAMERY ASSOCIATION, an Oregon
domestic cooperative association---
 - (b) Government Service Fee Premium \$30.00

3. This is a preliminary billing only; a consolidated statement of all charges, credits, and advances, if any, in connection with this order will be provided at closing.

MID-COLUMBIA TITLE COMPANY is prepared to issue on request and on recording of any appropriate documents, a policy or policies as applied for, with coverages as indicated, based on this title report that as of June 30, 2017 at 8:00 A.M., title to the property described herein is vested in

PORT OF MORROW, a municipal corporation of the State of Oregon---

subject only to the exceptions shown herein and to the terms, conditions, and exceptions contained in the policy form. No liability is assumed until a full premium has been paid

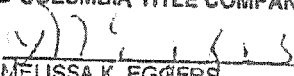
NOTE: WE HAVE SEARCHED FOR JUDGMENTS AGAINST THE PROPOSED INSURED.

4. The land referred to in this title report is described as follows

SEE EXHIBIT "A" ATTACHED HERETO---

MID-COLUMBIA TITLE COMPANY

By


MFLISSA K EGGERS

EXCEPTIONS: (1 - 11 Affect All Parcels)

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records, proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof
3. Easements, or claims of easement, not shown by the public records, reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water
4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto the subject land), encumbrance, violation, variation or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land

- 5 Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.
- 6 Unpatented mining claims whether or not shown by the Public Records
- 7 Water rights, claims to water or title to water, whether or not such rights are a matter of public record
- 8 The rights of the public in roads and highways
- 9 2017-18 Morrow County taxes, a lien not yet due and payable
- 10 The premises are within the boundaries of the West Extension Irrigation District, and are subject to the levies, assessments and easements thereof, if any.
- 11 Limited access provisions contained in Deed to State of Oregon, by and through its State Highway Commission, recorded January 11, 1951 in Book 53, Page 515 and recorded March 22, 1951 in Book 54, Page 73, Morrow County Deed Records, which provides that no right or easement or right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property.
- 12 Covenants in Deed from Jackson L. Sheadel to Readymix Sand and Gravel Co., Inc., including the terms and provisions thereof, recorded January 19, 1973 in Microfilm No. M-5358, Morrow County Microfilm Records (Affects Parcel 3)
- 13 Easement including the terms and provisions thereof, between the County of Morrow, a political subdivision of the State of Oregon and the City of Boardman, Oregon, a municipal corporation, recorded May 12, 1976, as Microfilm No. M-9573, Morrow County Microfilm Records. (Affects Parcel 1 & 2)
- 14 Easement for Utilities, including the terms and provisions thereof, in favor of City of Boardman, recorded February 15, 1978, as Microfilm No. M-12766, Morrow County Microfilm Records. (Affects Parcel 3)
- 15 Right of Way for Electric Transmission and Distributing Lines, including the terms and provisions thereof, in favor of Umatilla County Electric Cooperative Association, recorded June 22, 1992, as Microfilm No. M-38654, Morrow County Microfilm Records. (Affects Parcel 3)
16. Electric Transmission Line Easement, including the terms and provisions thereof, recorded September 13, 1994, as Microfilm No. M-43577, Morrow County Microfilm Records. (Affects Parcel 3)
17. Right of Way for Electric Transmission and Distributing Lines, including the terms and provisions thereof, in favor of Umatilla Electric Cooperative Association, recorded February 14, 2014, as Microfilm No. 2014-33759, Morrow County Microfilm Records (Affects Parcel 1)

NOTE: Any map or sketch enclosed or attached hereto is furnished for information purposes only to assist in property location. No representation is made as to accuracy of the map and Mid-Columbia Title Company assumes no liability for any loss occurring by reason of reliance thereon.

NOTE: Taxes for 2016-17 (Parcel 1)	\$1,503.37 Paid in Full (Account No. 4N-25-11 / 300) (Reference No. 4355)
NOTE: Taxes for 2016-17 (Parcel 2)	\$580.95 Paid in Full (Account No. 4N-25-11 / 303) (Reference No. 4358)
NOTE: Taxes for 2016-17 (Parcel 3)	\$2,749.00 Paid in Full (Account No. 4N-25-11 / 302) (Reference No. 4357)

CC

Mid-Columbia Title Company
Krista A. Price, Escrow Officer
kprice@midcotitle.com

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

Township 4 North, Range 25 East of the Willamette Meridian, in the County of Morrow and State of Oregon:

Section 11: The Southwest Quarter of the Northwest Quarter lying South of the Old Columbia River Highway right of way,

EXCEPTING THEREFROM beginning at the Southeast corner of the Southwest Quarter of the Northwest Quarter of said Section 11; thence North 1° 14' 55" West along the North-South center line of said Northwest Quarter a distance of 307.90 feet to the point of beginning of this description, thence North 1° 14' 55" West along the said North-South center line a distance of 992.06 feet, more or less, to a point on the Southeasterly right of way line of the Old Columbia River Highway; thence along the said right of way line and along the arc of a 3,324.94 foot radius circular curve to the right a distance of 1,326.81 feet (chord bears South 44° 33' 52" West and 1,318.02 feet), said right of way line being parallel to and 50.00 feet Southeasterly from the center line; thence South 34° 00' 02" East and at right angles to the said Highway center line a distance of 30.00 feet, thence along the said right of way line parallel to and 80.00 feet Southeasterly from the said center line and along the arc of a 3,354.04 foot radius circular curve to the right a distance of 50.49 feet (chord bears South 56° 25' 50" West and 25.49 feet); thence East and parallel to the East-West center line of said Section 11 a distance of 971.77 feet, more or less, to the point of beginning. TOGETHER WITH that portion of County Road vacated by Order recorded April 3, 1985 on Microfilm No. M-24712

PARCEL 2:

Township 4 North, Range 25 East of the Willamette Meridian, in the County of Morrow and State of Oregon:

Section 11: A parcel of land lying in the Southwest Quarter of the Northwest Quarter, and being more particularly described as:

Commencing at the Northwest one-sixteenth corner of said Section 11; thence South 3° 12' 56" East along the East line of said Southwest Quarter of the Northwest Quarter a distance of 554.88 feet to the true point of beginning of this description; thence continuing South 3° 12' 56" East along said East line a distance of 464.00 feet to a point that lies North 3° 12' 56" West a distance of 307.90 feet from the West one-sixteenth center-to-center corner of said Section 11, thence South 88° 06' 20" West a distance of 969.61 feet to a point on the Easterly right of way line of the Old Columbia River Highway, now a County Road; thence Northeasterly along said Easterly right of way along a 3,354.05 foot radius curve to the left (the chord bears North 54° 34' 52" East 44.55 feet) a distance of 44.55 feet, thence North 35° 47' 57" West, continuing along said Easterly right of way a distance of 30.00 feet; thence Northeasterly, continuing along said Easterly right of way along a 3,324.05 foot radius curve to the left (the chord bears North 48° 34' 49" East 651.10 feet) a distance of 652.14 feet, thence North 88° 06' 20" East a distance of 436.28 feet to the point of beginning. TOGETHER WITH that portion of County Road vacated by Order recorded April 3, 1985 on Microfilm No. M-24712

PARCEL 3:

Beginning at the Southeast Corner of the Southwest Quarter of the Northwest Quarter of Section 11, Township 4 North, Range 25 East, of the Willamette Meridian; Thence North 1°14'55" West along the North-South Centerline of the said Northwest Quarter a distance of 307.90 feet to the point of beginning of this description; Thence North 1°14'55" West along the said North-South Centerline a distance of 992.06 feet, more or less to a point on the Southeasterly right of way line of the Columbia River Highway; Thence along the said right of way line along the arc of a 3324.04 feet radius circular curve to the right a distance of 1326.81 feet (chord bears South 44°33'52" West and 1318.02 feet), said right of way line being parallel to and 50.00 feet Southeasterly from the Centerline; Thence South 34°00'02" East and at right angles to the said Highway Centerline a distance of 30.00 feet, Thence along the said right of way line parallel to and 80.00 feet Southeasterly from said centerline and along the arc of a 3354.04 feet radius circular curve to the right a distance of 50.49 feet (chord bears South 56°25'50" West and 50.49 feet); Thence East and parallel to the East-West Centerline of the said Section 11 a distance of 971.77 feet more or less, to the point of beginning.

EXCEPTING THEREFROM a parcel of land lying in the Southwest One-quarter of the Northwest One-quarter of Section 11, Township 4 North, Range 25 East, of the Willamette Meridian, and being more particularly described as:

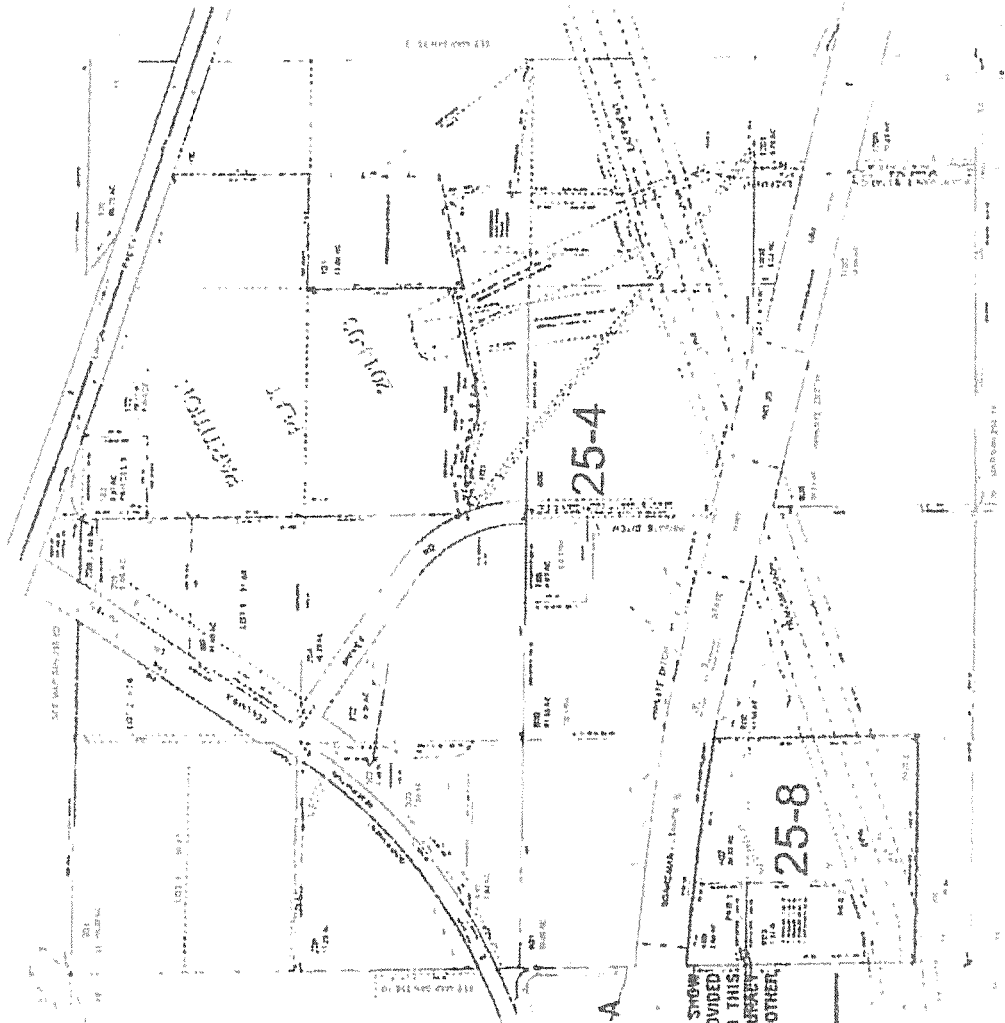
Commencing at the Northwest One-sixteenth Corner of said Section 11; Thence South 3°12'56" East along the East line of said Southwest One-quarter of the Northwest One-quarter a distance of 554.88 feet to the true point of beginning for this description:

Thence continuing South 3°12'56" East along said East line a distance of 464.00 feet to a point that lies North 3°12'56" West a distance of 307.90 feet from the West One-sixteenth center to center Corner of said Section 11; Thence South 88°06'20" West a distance of 969.61 feet to a point on the Easterly right of way line of the Old Columbia River Highway, now a County Road; Thence Northeasterly along said Easterly right of way, along a 3354.05 feet radius curve to the left (chord bears North 54°34'52" East 44.55 feet), a distance of 44.55 feet; Thence North 35°47'57" West; continuing along said Easterly right of way, a distance of 30.00 feet; Thence Northeasterly, continuing along said Easterly right of way, along a 3324.05 feet radius curve to the left (chord bears North 48°34'49" East 651.10 feet), a distance of 652.14 feet; Thence North 88°06'20" East a distance of 436.28 feet to the point of beginning

SECTION 11 TAN R25E WM
MORROW COUNTY
T-4-06

$\frac{1}{2} \frac{d}{dt} \left(\frac{1}{2} \frac{d}{dt} \right)$
 $\frac{1}{2} \frac{d}{dt} \left(\frac{1}{2} \frac{d}{dt} \right)$
 $\frac{1}{2} \frac{d}{dt} \left(\frac{1}{2} \frac{d}{dt} \right)$
 $\frac{1}{2} \frac{d}{dt} \left(\frac{1}{2} \frac{d}{dt} \right)$

0442551



THIS MAP IS FURNISHED AS A
CONVENIENCE BY-

Mid-Columbia Title Company
THIS MAP IS NOT A SURVEY AND DOES NOT SHOW
THE LOCATION OF ANY IMPROVEMENTS. IT IS PROVIDED
FOR IDENTIFICATION OF LANDS ONLY, AND THIS
COMPANY ACCEPTS NO LIABILITY FOR THE ACCURACY
OF BOUNDARY LINES, EASEMENTS, ROADS OR OTHER
MATTERS SHOWN THEREON.

U.S. CO.

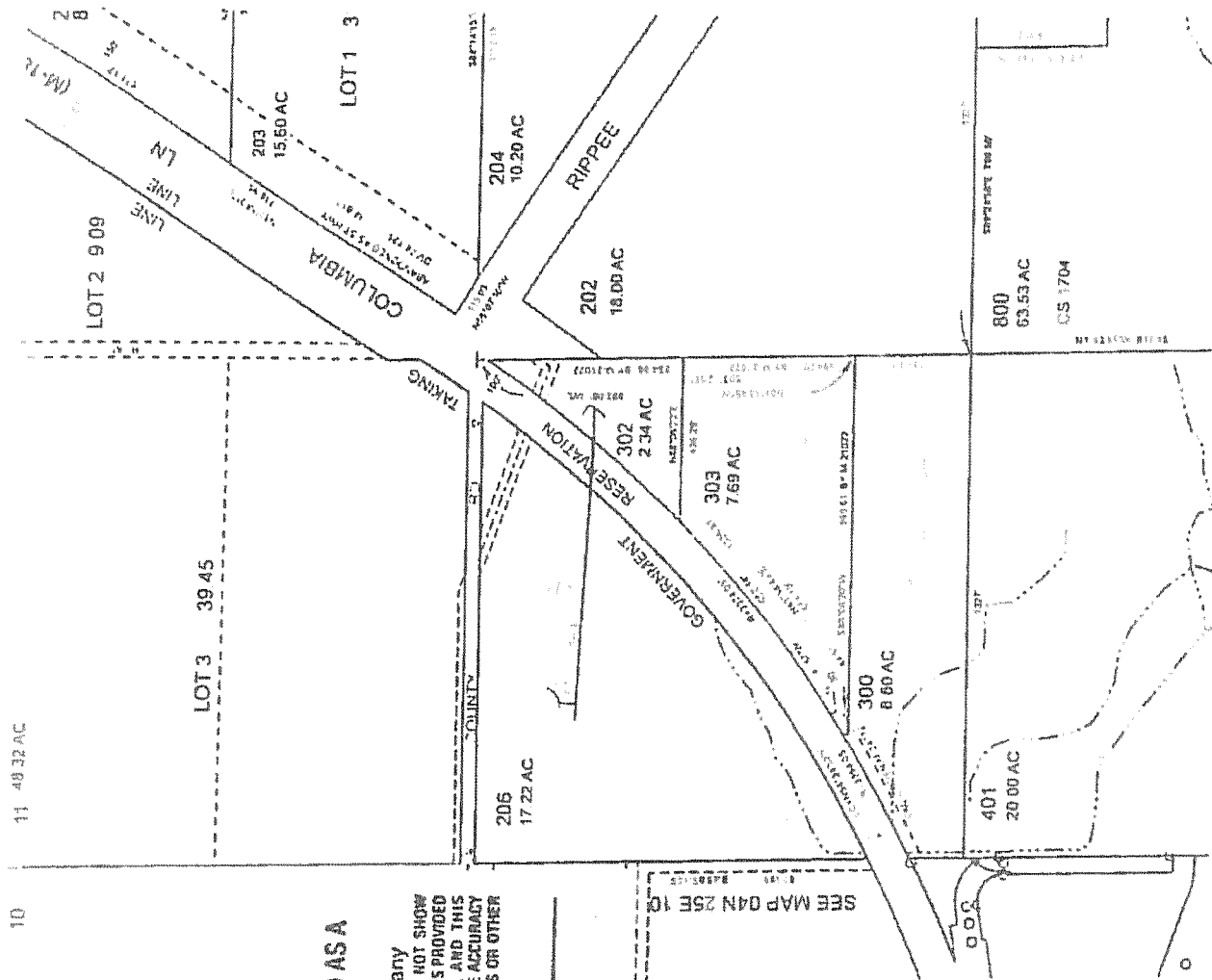
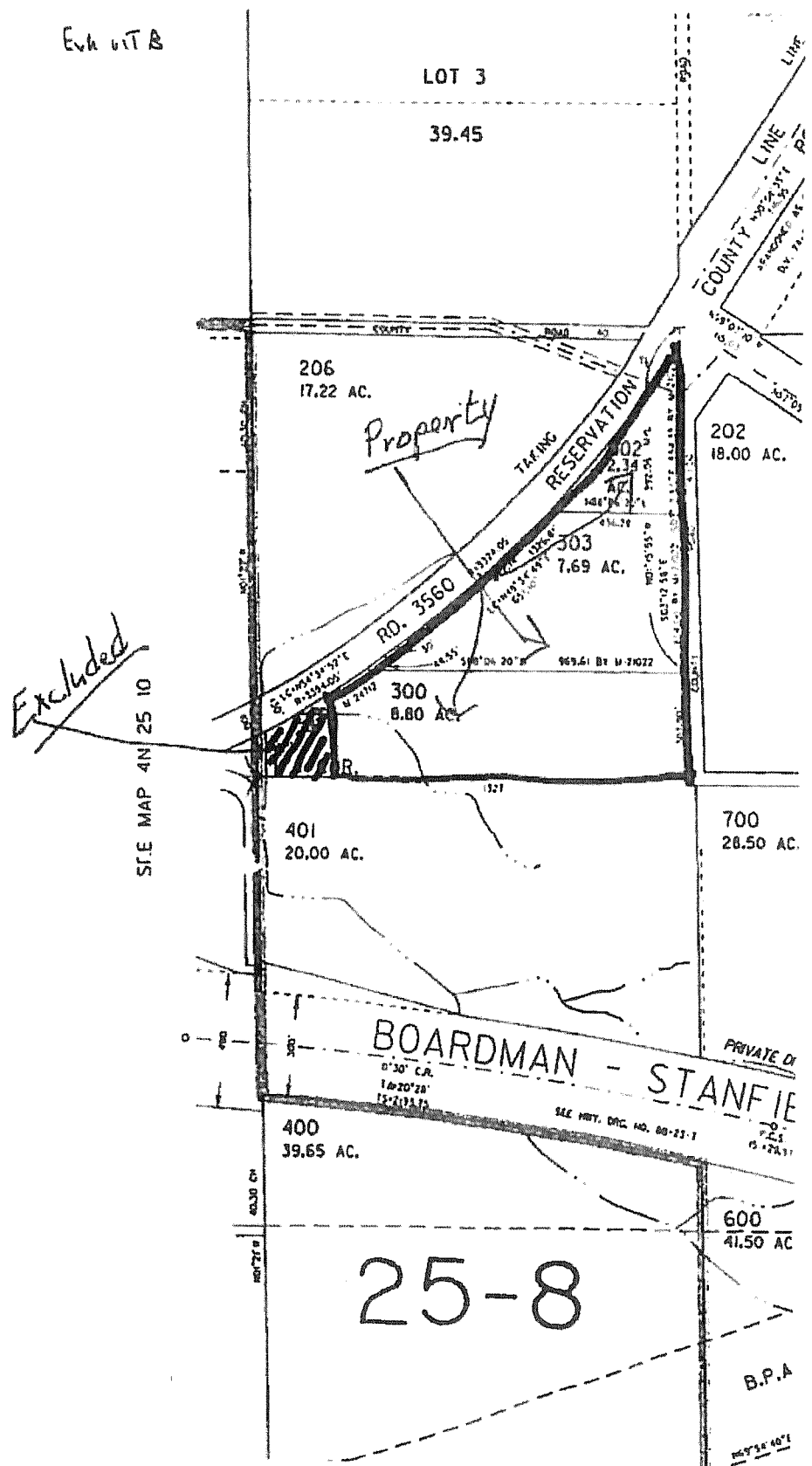
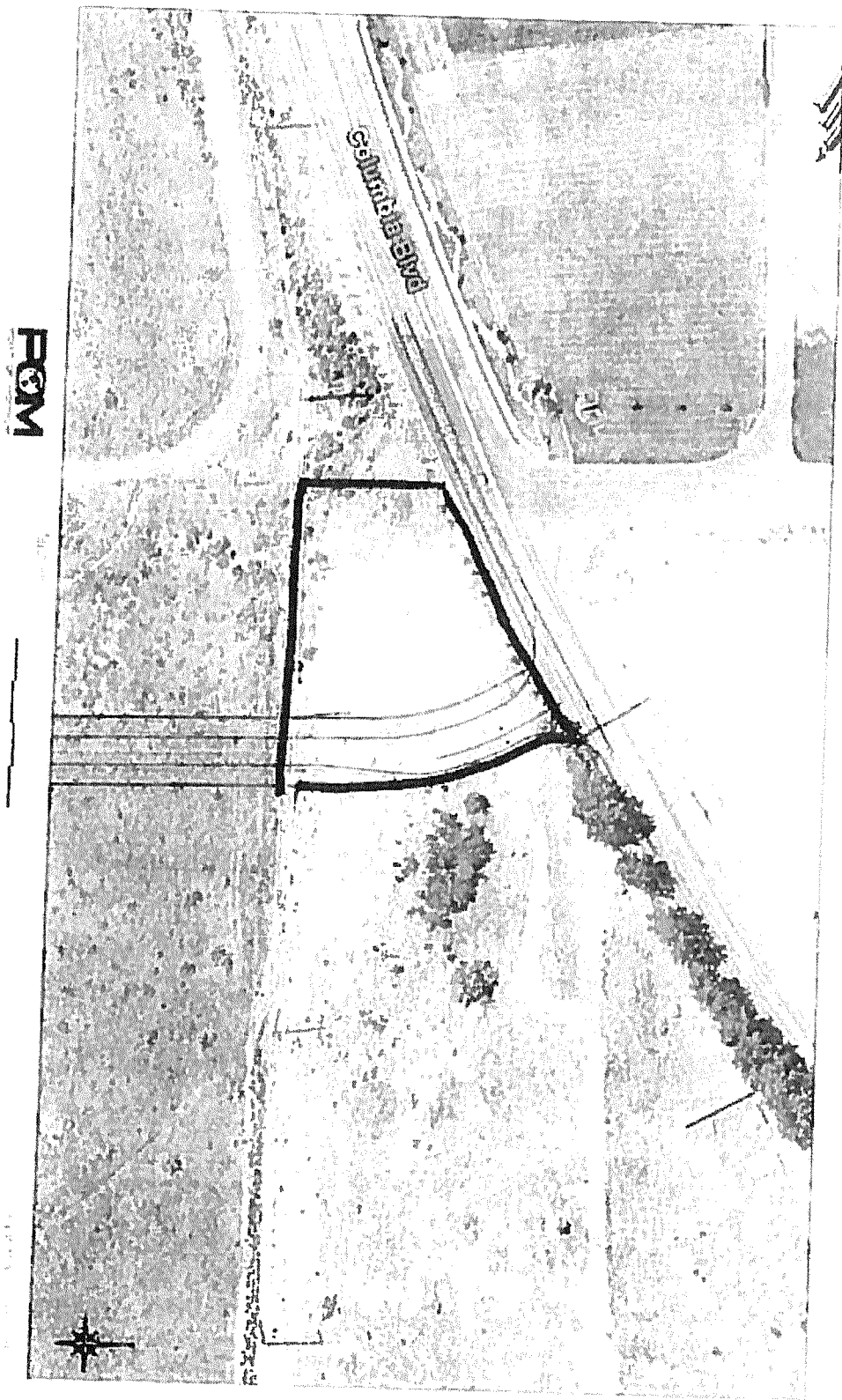


Exhibit B
Excluded Property

Ev. 6178





FCM

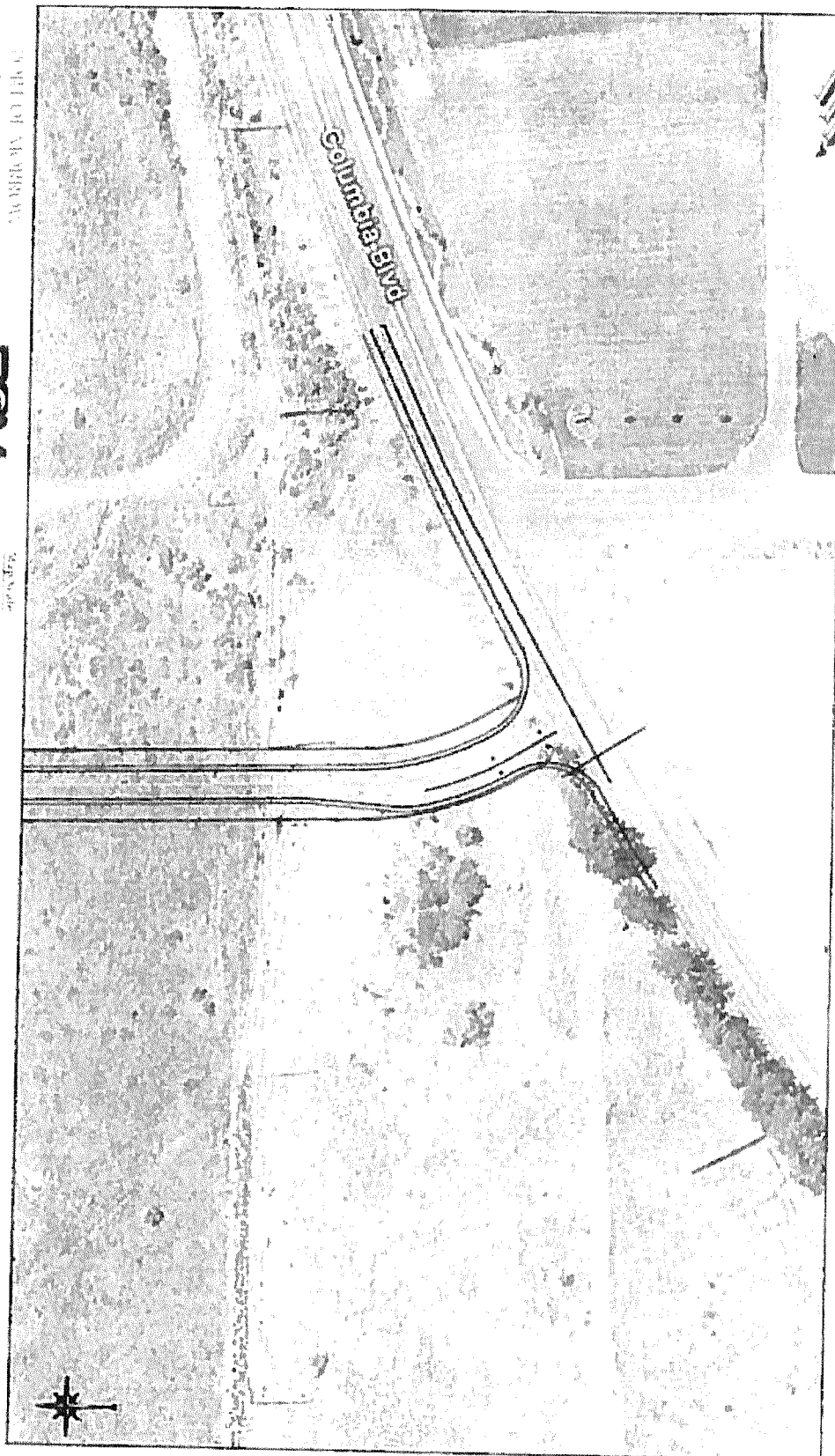
PORT OF MARIETTA
Industrial Park
Development Project

PGM

Scale



BLADEN VALLEY ROAD



Sheet 1 of 1

Exhibit C
LIT Lease

Exhibit C

PORT OF MORROW LEASE

1. DATE:

The date of this Lease is April 21, 2008.

2. PARTIES

The parties to this lease are PORT OF MORROW ("Port"), a municipal corporation of the State of Oregon, and LTI, INC. ("Tenant").

RECITALS

Port leases to Tenant and Tenant leases from Port a parcel of land consisting of approximately 2.34 acres including the concrete shop approximately 37.5'x120.0' in size, located within Tax Lot 302, T4N25 R11, described on Exhibit "A" under terms and conditions stated below.

3. PURPOSE:

Port has land available for use and economic expansion. Tenant wishes to lease this land and building for a truck maintenance shop and related activities.

4. TERM:

The term of this lease shall be for five years commencing on 9/20, 2008. Tenant shall be entitled to possession on 9/20, 2008. Commencement date shall be upon Port completion of on-site improvements.

5. RENEWAL OPTION:

If the lease is not in default, with mutual consent, the Tenant shall have the option to renew this lease for an additional five years, under similar terms as described in this lease.

6. RENT:

A. BASIC RENT:

Tenant shall pay to the Port as rent the amount of \$1850.00 per month. Rent shall be payable to the Port at Two Marine Drive, P.O. Box 200, Boardman, Oregon 97818, on 9/20, 2008 prorated for the remainder of the month if necessary and in monthly installments on the first of each month thereafter.

B. ADDITIONAL RENT:

As additional rent, Tenant shall pay the following amounts:

(1) All real or personal property taxes levied against the premises and improvements or any property placed on the lease premises by Tenant.

- (2) All charges for heat, light, power, water, sewage and other services or utilities used by Tenant in the premises
- (3) The cost of all insurance for which Tenant is required to pay.
- (4) All amounts which Tenant is required to reimburse Port for expenses incurred by Port in discharging Tenant's obligations.
- (5) All other amounts which the Tenant is required to pay for any other provision of this lease.

7. USE OF THE PREMISES:

A. PERMITTED USE:

The premises shall be used for a truck maintenance shop and related activities and no other purpose. If this use is prohibited by law or governmental regulations, this lease shall terminate.

B. RESTRICTIONS ON USE:

In connection with the use of the premises Tenant shall:

- (1) Conform to all applicable laws and regulations of any public authority affecting the premises and the use, and correct at Tenant's own expenses any failure or compliance.
- (2) Refrain from any use which would be reasonably offensive to the Port or owners and users of adjoining premises or which would tend to create a nuisance or damage the reputation of the premises.
- (3) Comply with any reasonable rules respecting the use of the premises promulgated by the Port from time to time and communicated to the Tenant in writing.

C. CONTINUITY OF USE:

Tenant shall use the premises continuously during the term of this lease. If Tenant fails to make substantial use of the leased premises for any 90 day period, Port may, at its option, terminate this lease.

8. REPAIRS AND MAINTENANCE:

Tenant shall maintain the leased premises and make all repairs necessary for maintaining the property in its present condition, excluding depreciation from ordinary wear and tear, including:

A. Taking all action necessary to control erosion of any type, including water and wind erosion, and the control of sand blows. This shall include, if necessary, the creating of barriers and the planting of cover so as to control erosion.

B. The maintenance of any and all improvements on the leased property.

C. If Tenant fails or refuses to make repairs which are required by this repairs, maintenance and inspection section, Port may make the repairs and charge the actual costs of repairs to Tenant. Such expenditures by Port shall be reimbursed by the Tenant on demand, together with interest at the rate of 12% per cent per annum from the date of expenditure by Port. Except in an emergency creating an immediate risk of personal injury or property damage, Port shall notify Tenant of the needed repairs at least 30 days before work is commenced, outlining with reasonable particularity with repairs required.

9. IMPROVEMENTS:

A. The leased property has a building approximately 37.5'x120.0' in size. Tenant shall be solely responsible for maintenance of this building.

B. Tenant shall be required to maintain and operate said improvement during the entire term of this lease and if, during any 90 day period, Tenant does not make substantial use of the improvement, Port may, at its option, terminate the lease.

C. Except as expressly provided below, ownership of all the property, including any improvements made by Tenant, shall be, upon termination of this lease, property of Port. Notwithstanding the foregoing, the equipment and machinery placed on the property by Tenant may be, upon termination of this lease, removed by Tenant so long as the Tenant restores the maintaining property to its original condition, and the removal in no way affects the structural integrity of any building. Unless expressly agreed in writing by the parties prior to installation, all other improvements made to the leased property shall be, at the option of the Port upon termination of this lease, either the property of the Port or shall be, upon request by Port, removed from the leased premises by Tenant. Port may further require that the leased premises or part thereof be restored to its original condition upon termination of this lease. It is expressly agreed that any property of any type, including machinery and equipment, which is left on the property thirty (30) days beyond termination of this lease shall be the property of Port, unless Port requires Tenant to remove said property and restore the premises.

10. INDEMNIFICATION:

Tenant shall defend, indemnify and hold Port harmless from all claims, losses, liabilities, causes of action or causes of suit arising out of or related to any activity of Tenant on the leased property or any condition of the leased property or any addition or improvements to the leased property. This provision is specifically intended to include claims made by users of Tenant's property, employees or neighboring land owners alleging damages caused by Tenant's operation and including any damages caused by materials escaping from the leased premises.

11. INSURANCE:

Before going into possession of the leased property, Tenant shall procure and, thereafter, during the term of this lease or any renewal of it, continue to carry the following insurance at Tenant's cost:

A. Public liability and property damage insurance in a responsible company with limits of not less than Five Million Dollars (\$5,000,000) for injury to one person, Five Million Dollars (\$5,000,000) for injury to two or more persons in one occurrence, and Five Million Dollars (\$5,000,000) for damages to property. A single-limit policy of Five Million Dollars (\$5,000,000) is acceptable. Tenant shall also be responsible for fire/legal liability insurance for up to the replacement cost of the building, but no less than \$200,000.

B. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the leased property, shall protect Tenant and shall protect Port and Tenant against claims of third persons; In the event Oregon law increases the Port's exposure to liability under the Oregon Tort Claims Act or subsequent legislation or court decisions, the Port may require insurance in an amount equal to Port's liability exposure.

C. Tenant shall maintain Worker's Compensation Insurance coverage as required by law during the time this lease is in force.

D. Certificates evidencing such insurance naming the Port as an additional insured and bearing endorsements requiring thirty (30) days written notice to the Port prior to any change or cancellation shall be furnished to Port prior to Tenant's occupancy of the property.

12. LIABILITY TO THIRD PERSONS:

A. LIENS:

(1) Except with respect to activities for which Port is responsible, Tenant shall pay as due all claims for work done on and for services rendered or material furnished to the leased premises and shall keep the premises free from any liens. If Tenant fails to pay any such claim or to discharge any lien, Port may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of 12 per cent per annum from the date expended by Port and shall be payable on demand. Such action by Port shall constitute a waiver of any right or remedy which Port may have on account of Tenant's default.

(2) Tenant may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, so long as, with ten (10) days of request by Port, Tenant secures a bond or deposits money under ORS 87.076, or if said section is repealed under similar terms, assuring that said obligation will be satisfied.

13. QUIET ENJOYMENT:

Port warrants that it is the owner of the leased premises and has the right to lease them free of all encumbrances, except any encumbrances of record. Port reserves all mineral rights and the right to use the leased premises for mineral development during the term of this lease, so long as it does not materially interfere with Tenant's operations.

14. ASSIGNMENT AND SUBLEASE:

Tenant may sublease property for use consistent with this agreement. No part of the leased property may be mortgaged. This provision shall apply, to the extent allowed by law, to all transfers by operation of law and transfers to and by trustees in bankruptcy, receivers, administrators, executives and legatees. No consent in one instance shall prevent the provision from applying to a subsequent instance. Any such mortgage, attempted mortgage is void and is an act of default in addition to those listed below. Notwithstanding the foregoing, Tenant may merge or consolidate with other corporations, with Port's consent, said consent not to be unreasonably withheld. Any such merger or consolidation shall require that the original parties to this lease continue to be and remain liable.

15. DEFAULT:

The following shall be events of default:

A. DEFAULT IN RENT:

Failure of Tenant to pay any rent or other charge within fifteen (15) days after it is due.

B. DEFAULT IN OTHER COVENANTS:

Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within thirty (30) days after written notice by Port specifying the nature of the default with reasonable particularity. If the default

is of such a nature that it cannot be completely remedied within the 30-day period, this provision shall be complied with if Tenant begins correction of the default within the 30-day period and thereafter proceeds with diligence and in good faith to effect the remedy as soon as practicable.

C. ABANDONMENT:

Failure of the Tenant for 90 days or more to occupy the property for one or more of the purposes permitted under this lease.

16. REMEDIES ON DEFAULT:

A. TERMINATION:

In the event of a default, the lease may be terminated at the option of the Port by notice in writing to Tenant. This lease may only be terminated if Tenant has not remedied the default within the 30 day grace period. The notice may be given before or within 30 days after the running of the grace period for default. If the property is abandoned by Tenant in connection with a default, termination shall be automatic and without notice.

B. DAMAGES WITHOUT TERMINATION:

If the lease is not terminated by election of Port or otherwise, Port shall be entitled to recover damages from Tenant for default.

C. RE-ENTRY AFTER TERMINATION:

If the lease is terminated for any reason, Tenant's liability to Port for damages shall survive such termination, and the rights and obligations of the parties shall be as follows:

(1) Tenant shall vacate the property immediately, remove any property of Tenant, perform any clean up, alterations or other work required to lease the property in the condition required at the end of the term, and deliver all keys to the Port.

(2) Port may re-enter, take possession of the premises and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.

D. RE-LETTING:

Following re-entry or abandonment, Port may re-let the premises and in that connection may:

(1) Make any suitable alterations or refurbish the premises, or both, or change the character of the premises, but Port shall not be required to re-let for any use or purpose (other than that specified in the lease) which Port may reasonably consider injurious to the premises, or to any tenant which Port may reasonably consider objectionable.

(2) Re-let all or part of the premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

E. DAMAGES:

In the event of termination on default, Port shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages:

(1) Any excess of (a) the value of all of Tenant's obligations under this lease, including the obligation to pay rent, from the date of default until the end of the term, over (b) the reasonable value of the property for the same period figured as of the date of default, the net

results to be discounted to the date of default at a reasonable rate not exceeding 4% per annum.

(2) The reasonable costs of re-entry and re-letting including without limitations the cost of any clean up, refurbishing, removal of Tenant's failure to quit the premises upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising costs.

(3) The loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been secured.

F. REMEDIES CUMULATIVE:

The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Port under applicable law.

17. REPRESENTATIONS:

Tenant has inspected the property and had independently determined that the property, and all aspects of it, in its present condition, AS IS, including latent defects, without any representations or warranties, expressed or implied by Port, including any warranties or merchantability or fitness for a particular purpose.

18. COMPLIANCE WITH LAW-WASTE:

Tenant shall comply with all government rules and regulations related to the leased property and Tenant's use of the leased property. Tenant shall not commit or permit any waste or misuse of the lease property, including erosion.

19. HAZARDOUS MATERIAL:

As used herein, the term "hazardous material" means any hazardous or toxic substance, material, or waste, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (40 CFR 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, petroleum products, or such other substances, materials, and wastes that are or become regulated under any applicable local, state, or federal law.

Tenant shall not cause or permit any hazardous material to be brought upon, kept or used in or about the lease premises without the prior written consent of Port, which consent shall not be unreasonably withheld so as long as tenant demonstrates to Port reasonable satisfaction that such hazardous material is necessary to tenant's business and will be used, kept and stored in a manner that complies with all laws and rules regulating any hazardous material. No person shall cause or permit any hazardous material to be discharged or deposited in any part of the sewage or wastewater disposal system. All hazardous materials shall be used strictly in accordance with applicable rules, regulations and ordinances, and under no condition shall any person allow any hazardous material into the air, ground or water that is not in compliance with said rules and regulations. In event any hazardous material escapes, spills, or is otherwise not used in compliance with rules and regulations, the Port shall immediately be notified. The person responsible for the hazardous material will clean up and dispose of the hazardous material in compliance with all rules and regulations governing such spills.

20. MISCELLANEOUS:

A. NON WAIVER:

Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

B. ATTORNEY FEES:

If suit or action or any appeal there from is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees.

C. INSPECTION OF PREMISES:

Port shall have the right to inspect the premises at any reasonable time or times.

D. SUCCESSION:

Subject to the above-stated limitations on transfer of Tenant's interest, this lease shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

E. TIME IS OF THE ESSENCE:

The parties acknowledge and agree that time is of the essence with respect to all the terms, conditions and provisions of this lease.

F. CAPTIONS:

The paragraph headings used herein are for the convenience only and are not intended to broaden or limit the meaning of the terms used.

G. EASEMENTS AND RIGHTS-OF-WAY:

Port reserves the right to authorize easements and rights-of-way for the construction and/or installation of above or below ground utility systems across or through the leased property. Port agrees to so construct and maintain said rights-of-way so as to, to the extent reasonably possible, minimize interference with Tenant's use of the property. Port shall not be liable for damages so long as Port complies with this paragraph.

H. NOTICES:

Any notice required or permitted under this lease shall be given when actually delivered or when deposited in the United States mail as certified mail addressed as follows:

PORT OF MORROW
Two Marine Drive
P.O. Box 200
Boardman, OR 97818

LTI TRANSPORT
125 Alexander Rd.
Sunnyside, WA 98944

or to such other address as may be specified from time to time by either of the parties in writing.

I. ENTIRE AGREEMENT:

This lease embodies the whole agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein, and this contract shall

supersede all previous communications, representations or agreements, either verbal or written, between the parties hereto. In addition, the parties specifically acknowledge and agree that the term of this lease is as set forth above and that no contract, lease or agreement exists between the parties concerning any extension, renewal or additional lease term. The parties further agree that in the event the parties mutually agree to modify this lease in any way, said modification shall not be effective until reduced to writing and signed by both of the parties.

PORT OF MORROW

By

Gary D. Neal, General Manager

Date

5-12-08

LTI TRANSPORT Inc,

By

Allen Gusterson

Date

5-12-08

STATE OF _____

COUNTY OF _____ S.S.

On this ____ day of _____, 2008, before me personally appeared, Gary D. Neal, whose identity is personally known to me and who by me duly sworn, did say that he is the